

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Beverly Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 30, 2020

This Memorandum supersedes the PERAC Memorandum dated October 9, 2020. After the Board adopted the original schedule, we were notified that the Board had revised the market value of assets. The updated asset figures were not used in the development of that schedule.

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on January 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.35% to 7.15% and an adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

JWP/jfb

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Enc.



**Beverly Retirement System**  
**January 1, 2020 Actuarial Valuation**

Total Cost 4.5% increasing until FY32 with a final amortization payment in FY33

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost Increase</u>
2021	3,300,462	150,000	8,514,613	11,965,075	91,981,343	
2022	3,448,983	150,000	8,904,520	12,503,503	89,738,998	4.50%
2023	3,604,187	150,000	9,311,974	13,066,161	86,932,480	4.50%
2024	3,766,376	150,000	9,737,763	13,654,138	83,503,275	4.50%
2025	3,935,863	150,000	10,182,712	14,268,574	79,387,872	4.50%
2026	4,112,976	150,000	10,647,684	14,910,660	74,517,361	4.50%
2027	4,298,060	150,000	11,133,580	15,581,640	68,817,013	4.50%
2028	4,491,473	150,000	11,641,341	16,282,814	62,205,824	4.50%
2029	4,693,589	150,000	12,171,951	17,015,540	54,596,022	4.50%
2030	4,904,801	150,000	12,726,439	17,781,240	45,892,539	4.50%
2031	5,125,517	150,000	13,305,879	18,581,396	35,992,446	4.50%
2032	5,356,165	150,000	13,911,393	19,417,558	24,784,342	4.50%
2033	5,597,192	150,000	12,566,988	18,314,180	12,147,697	-5.68%
2034	5,849,066	150,000		5,999,066	0	-67.24%
2035	6,112,274	150,000		6,262,274	0	4.39%

Appropriation payments assumed to be made December 31 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$525,000.

FY21 amount maintained at level of current schedule.